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F.No. GEN/ADJ/MISC/91/2020-Adjn-O/o Commr-Cus-Kandla
DIN: 20260471ML0000999D72

Date : 11.04.2026

Show Cause Notice
(Issued under Section 124 of the Customs Act, 1962)

Whereas, it appears that:

An intelligence was received from the Directorate of Revenue Intelligence (DRI), Ahmedabad that M/s Radek Overseas Pvt. Ltd., having IEC No. AAJCR5161P (hereinafter referred to as "said Exporter" for sake of brevity) having address at A-5, Kamla Vihar, Chittor Road, Bhilwara, 311001 (Rajasthan) was exporting "Garnet" by mis-declaring "Garnet" as "Quartz Powder" and classified them under CTH 25061020 from the self sealing premises. M/s Radek Overseas Pvt. Ltd. filed 06 Shipping Bills dated 30.03.2025 (**RUD-1**) (hereinafter referred to as "said Shipping Bills" for the sake of brevity), at Kandla Customs House, the details of which are as under:

Table-I

Sr No	Shipping Bill No. & Date	Declared description in Shipping Bill	Number of Containers in the Shipping Bill	Container Nos.
1	9527287 dated 30.03.2025	Quartz Powder	2	TGHU1998307, CRXU3422008
2	9527325 dated 30.03.2025	Quartz Powder	6	UESU2354927, XINU1460784, TTNU1490678, CBHU3532647, TGHU0030091, UACU3493150
3	9527409 dated 30.03.2025	Quartz Powder	4	XINU1091449, TEMU0591017, WHLU8032860, WHLU2879820
4	9527459 dated 30.03.2025	Quartz Powder	5	CBHU3595270, TEMU0792808, TEMU0537335, WSCU3707082, OOLU3024683
5	9527516 dated 30.03.2025	Quartz Powder	2	TEMU0771791, MAGU2324636
6	9527574 dated 30.03.2025	Quartz Powder	7	FCIU2055487, CBHU3525144, TGHU0450577, DRYU2349123, FCIU3239107, CRXU1183286, FSCU7533802

2. **Examination of the goods & Transfer of the case**

Whereas, acting upon the intelligence, the export consignments of M/s. Radek Overseas Pvt. Ltd. covered under above mentioned Shipping Bills covered under 26 containers were put on hold vide letter dated 01.04.2025 (RUD-2) at KICT, Kandla by DRI, AZU. For examination of the goods contained in those 26 containers, they were shifted to CWC CFS, Kandla. DRI, Ahmedabad further requested the Custom House Kandla to conduct examination of the containers under Panchnama proceedings and draw samples from each container vide their letter dated:-03.04.2025 (RUD-3).

Whereas, accordingly, examination of the said goods under the said 06 Shipping Bills were carried out under panchnama dated 22.04.2025 (RUD-4) drawn in presence of authorized representative of M/s Radek Overseas Pvt. Ltd. by the Officers of SIIB, Custom House, Kandla. On opening of the containers after tallying the container bottle seals, the containers were found stuffed with white jumbo bags, which on being de-stuffed, on visual inspection, were found to be dark brown to reddish tone colored crystalline material. Total 689 MTs of such goods stuffed in white jumbo bags was found during the examination in the subject 26 containers. The SIIB Officers took three set of samples from each of the 26 containers, for the purpose of testing to ascertain the actual nature/identification of the said goods. Further, vide letter dated 20.05.2025 received from DRI, Ahmedabad (RUD-5), investigation of the case was transferred to SIIB Kandla & to get the samples tested at IREL Kerala.

3. Test Memo & Test Report:

Whereas, a letter dated 03.07.2025 was written to CRCL Kandla to get the opinion on the goods. A letter dated 07.07.2025 was received from CRCL Kandla informing that samples could not be tested at CRCL Kandla Laboratory. Thereafter, the representative samples were sent for testing to the laboratory of Indian Rare Earth Ltd., Kollam (IREL), the notified STE for export of Natural Garnet from India, which provided its reports vide Test Reports dated 06.10.2025 (RUD-6) for the 26 representative samples showed that the samples in all the 26 containers, were Garnet.

Table-II

Sr No	Container No	Test Memo No.	Test Report No. & Date	% of Garnet in the representative sample
1	TGHU1998307	TM/SIIB/129/2025-26	ML-4562 dated 25.09.2025	94.6
2	CBHU3532647	TM/SIIB/130/2025-26	ML-4563 dated 25.09.2025	94.7
3	MAGU2324636	TM/SIIB/131/2025-26	ML-4564 dated 25.09.2025	94
4	CRXU3422008	TM/SIIB/132/2025-26	ML-4565 dated 25.09.2025	94.4
5	TGHU0030091	TM/SIIB/133/2025-26	ML-4566 dated 25.09.2025	96.9
6	FCIU2055487	TM/SIIB/134/2025-26	ML-4567 dated 25.09.2025	93.9
7	XINU1091449	TM/SIIB/135/2025-26	ML-4568 dated 25.09.2025	95.4
8	UACU3493150	TM/SIIB/136/2025-26	ML-4569 dated 25.09.2025	94

9	CBHU3525144	TM/SIIB/137/2025-26	ML-4570 dated 25.09.2025	98.6
10	TEMU0591017	TM/SIIB/138/2025-26	ML-4571 dated 25.09.2025	95
11	CBHU3595270	TM/SIIB/139/2025-26	ML-4572 dated 25.09.2025	99
12	TGHU450577	TM/SIIB/140/2025-26	ML-4573 dated 25.09.2025	93.1
13	WHLU8032860	TM/SIIB/141/2025-26	ML-4574 dated 25.09.2025	97.9
14	TEMU0792808	TM/SIIB/142/2025-26	ML-4575 dated 25.09.2025	96.4
15	DRYU2349123	TM/SIIB/143/2025-26	ML-4576 dated 25.09.2025	93.1
16	WHLU2879820	TM/SIIB/144/2025-26	ML-4577 dated 25.09.2025	98.8
17	TEMU0537335	TM/SIIB/145/2025-26	ML-4578 dated 25.09.2025	97
18	FCIU3239107	TM/SIIB/146/2025-26	ML-4579 dated 25.09.2025	98.3
19	UESU2354927	TM/SIIB/147/2025-26	ML-4580 dated 25.09.2025	97.4
20	WSCU3707082	TM/SIIB/148/2025-26	ML-4581 dated 25.09.2025	96.3
21	CRXU1183286	TM/SIIB/149/2025-26	ML-4582 dated 25.09.2025	97.6
22	XINU1460784	TM/SIIB/150/2025-26	ML-4583 dated 25.09.2025	97.3
23	OOLU3024683	TM/SIIB/151/2025-26	ML-4584 dated 25.09.2025	97.6
24	FSCU7533802	TM/SIIB/152/2025-26	ML-4585 dated 25.09.2025	97
25	TTNU1490678	TM/SIIB/153/2025-26	ML-4586 dated 25.09.2025	96.2
26	TEMU0771791	TM/SIIB/154/2025-26	ML-4587 dated 25.09.2025	94

It is evident from the aforesaid Test Reports that the goods meant for export by M/s. Radek Overseas Pvt. Ltd. were "Garnet" against the description "Quartz Powder" declared by them in aforesaid 06 Shipping Bills. The subject goods being 'garnet' i.e. Beach Sand Mineral and export thereof have been brought under the regime of STE with effect from 21.08.2018 through the canalizing agency M/s. IREL only. The Test Reports were perused and accepted by the exporter in his statement.

4. Re-determination of Classification of the Goods:-

Whereas, the Exporter declared the goods as "Quartz Powder" and classified the same under CTH 25061020 in shipping bills 9527287, 9527325, 9527409, 9527459, 9527516 & 9527574 all dated 30.03.2025. However, IREL (India) Limited Research Centre, Kollam, Kerala vide their Test Reports dated 06.10.2025 (RUD-6) submitted that the Goods are Garnet and the same has later been accepted by the exporter that the goods to be exported are "Garnet" and not the ones declared by them.

As the goods were mis-declared and found to be garnet, proper classification is required to be decided in this matter. In this connection CTH 2513 reads as under:

2513		PUMICE STONE; EMERY; NATURAL CORUNDUM, NATURAL GARNET AND OTHER NATURAL ABRASIVES, WHETHER OR NOT HEAT-TREATED
25131000	-	<i>Pumice</i>

251320	-	<i>Emery, natural corundum, natural garnet and other natural abrasives</i>
25132010	---	<i>Emery</i>
25132020	---	<i>Natural corundum</i>
25132030	---	<i>Natural garnet</i>
25132090	---	<i>Other</i>

Thus, the export goods being garnet, are classifiable under CTI 2513 2030.

5. Policy Compliance of the goods "Garnet":

The Government of India vide their Notification No. 26/2015-20 dated 21.08.2018 issued by Director General of Foreign Trade, New Delhi, Ministry of Commerce and Industry inserted entry at Sr. no. 98A in Chapter 26 of Schedule 2 of ITC(HS) classification of Export & Import Items 2018 regarding Export Policy of Beach Sand Minerals (BSM) in Chapter 26 of Schedule 2 of ITC (HS) Classification of Export and Import Items 2018. As per notification, Export of Beach Sand Minerals has been brought under STE and shall be canalized through Indian Rare Earths Limited (IREL). Beach sand minerals, permitted anywhere in the export policy, will now be regulated in terms of policy under Sl. No. 98A of Chapter 26 of Schedule 2 Export Policy. Hence, export of all the Beach Sand Minerals (including Natural Garnet/Garnet), is allowed only through Indian Rare Earths Limited (IREL) which reads as follows:

"2. The existing entries in the 'Note' of Chapter 26 of Schedule 2 of ITC(HS) Classification of Export and Import Items 2018 are substituted as under:

"NOTE:

1. Export of Rare Earth compounds classified as Beach Sand Minerals (BSM) , namely [Ilmenite, Rutile, Leucosene(Titanium bearing mineral), Zircon, Garnet, Sillimanite and Monazite (Uranium and Thorium)], shall be regulated in terms of Sl. No. 98A of Chapter 26 Schedule 2 of ITC(HS) Classification.
 2. Other minerals under code 2617 are freely exportable, except those which have been notified as prescribed substances and controlled under Atomic Energy Act, 1962".
- A new entry at Sl. No. 98A is inserted in Chapter 26 of Schedule 2 of ITC (HS) Classification of Export & Import Items 2018 as follows:

S. No.	Tariff Item HS code	Unit	Item Description	Export Policy	Policy Condition
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98A	2508 5031 2508 5032 2508 5039 2612 1000 2612 2000 2614 0010 2614 0020 2614 0031 2614 0039 2614 0090 2515 1000 <u>2513 2030</u>	Kg	Beach sand Minerals [Ilmenite, Rutile, Leucosene(Titanium bearing mineral), Zircon, Garnet, Sillimanite and Monazite (Uranium and Thorium)]	STE (State Trading Enterprise)	Export through Indian Rare Earths Limited (IREL)
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5.2. Effect of this Notification:

Export of Beach Sand Minerals have been brought under STE and shall be canalized through Indian Rare Earths Limited (IREL). Beach sand minerals, permitted anywhere in the export policy, will now be regulated in terms of policy under at Sl. No. 98A of chapter 26 of Schedule 2 Export Policy."

5.3. Consequent to issuance of Notification No. 26/2015-20 dated 21.08.2018, Garnet classifiable under CTH 25132030 could only be exported through Indian Rare Earths Limited (IREL). However, in the instant case the exporter tried to export the same by way of mis-declaring the same as "Quartz Powder" to avoid the restriction. Thus, non-compliance of the existing DGFT Policy makes the goods as Prohibited.

6. Further, Section 50(2) & 50(3) of the Customs Act, 1962, which places onus upon the exporter, reads as follows:

SECTION 50. Entry of goods for exportation. -

- (1)....
- (2) *The exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a declaration as to the truth of its contents.*
- (3) *The exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely: -*
 - (a) *the accuracy and completeness of the information given therein;*
 - (b) *the authenticity and validity of any document supporting it;*
 - and
 - (c) *compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.]*

In view of the above, it appears that the exporter by resorting to mis-declaration of the goods has failed to comply with the provisions of the Section 50(2) & 50(3) of the Customs Act, 1962.

7. Seizure of the goods:

Whereas, from the above, it is evident that the exporter M/s. Radek Overseas Pvt. Ltd. has tried to export Garnet in violation of Schedule 2 of Export Policy amended vide Notification No. 26/2015-20 dated 21.08.2018. Therefore, the said goods were placed under seizure by the officers of SIIB, Kandla under Seizure Memo dated 13.10.2025 (RUD-7) in terms of Section 110 of the Customs Act, 1962 and were handed over to the custodian M/s CWC CFS, Kandla, Kutch, vide Supratnama dated 13.10.2025 for safe custody.

8. Physical Verification of the Exporter through Jurisdictional CGST Commissionerate:

Whereas, to ascertain the verification of genuineness of the Exporter, the letter dated 18.12.2025 and reminders dated 05.01.2026 and 29.01.2026 were written to the jurisdictional CGST Commissionerate Udaipur for verification of the registered premises of M/s Radek Overseas Pvt Ltd. Later on, the Jurisdictional CGST Commissionerate, Udaipur vide letter dated 06.02.2026 (RUD-8), informed that M/s Radek Overseas Pvt. Ltd. found existing at the registered address. No business related documents were found at the premises.

9. Acceptance by the exporter

Whereas, vide letter dated 30.07.2025 (RUD-9), M/s Radek Overseas Pvt Ltd. accepted that the goods found during examination of above-mentioned shipping bills on 22.04.2025 viz. dark-brown to reddish tone coloured crystalline material are "Dust of Natural Garnet", which is restricted to export. Vide the said letter they informed that they were completely unaware of this restriction until then. They accepted the mistake and agree for being penalized for same under Customs Act.

10. Issuance of Summons & recording of statements

10.1 Statement of the authorized person of Exporter:

Whereas, Summons were issued to M/s Radek Overseas Pvt. Ltd. on 14.10.2025 (RUD-10) to tender their statement and submission of certain documents related to export of the goods through the above mentioned Shipping Bills. Accordingly, statement of Shri Rahul Kumar Mishra, Manager & Authorized Representative of M/s Radek Overseas Pvt Ltd (IEC: AAJCR5161P), was recorded on 04.11.2025 (RUD-11) wherein he inter-alia stated that: -

- His permanent address is Ward-4, Balua Bazar, District Supaul, Bihar - 85433. He is working as Manager & Authorized Representative of M/s Radek Overseas Pvt. Ltd. & handles matters related to Exports since March 2024 (like stuffing, documentation etc.). He has completed 12th class in 2012 from Darbhanga, Bihar.
- M/s Radek Overseas Pvt Ltd is a private limited company having GSTIN No. 08AAJCR516IPIZ. Their Company was incorporated in 2019 and mainly deals in export of Salt. In past, they had exported Salt through Kandla & Mundra Port. Their major overseas clients are from UAE, Africa, Bangladesh, Europe etc. The 02 Directors in the company are Smt. Alka Gupta and Smt. Rekha Aggarwal.
- On being asked about the current export consignment of 06 shipping bills he stated that one person, Shri Ratna Shankar Ojha, met Shri Santosh Gupta, Marketing Manager of M/s Radek Overseas Pvt. Ltd., in March 2025. During the meeting, Shri Ojha informed him that they had an export order for 26 containers of "Quartz Powder," but did not possess an IEC or self-sealing permission. Shri Ojha further offered a commission of ₹1,000 per metric ton for the export. He stated that their company had never previously exported quartz powder. Subsequently, 06 shipping bills were filed by their CHA, M/s Freight Link Logistics, on their behalf, declaring the goods as "Quartz Powder" for export.
- On being asked about procurement of the cargo and payment details he stated that they had been primarily engaged in the export of salt to various regions, including Gulf countries, Europe, Africa, the South Pacific, and Bangladesh. He further stated that in March 2025, at Jaipur, one Mr. Ratna Shankar Ojha (Mobile No. 6006696296), a resident of Jaipur, approached Shri Santosh Gupta, Marketing Manager of M/s Radek Overseas Pvt. Ltd. Mr. Ojha represented that he had an export order from the UAE for approximately 700 MT of "Quartz Powder," which required urgent execution, failing which the order might be cancelled. However, he stated that he did not have a firm for handling the export. Mr. Ojha requested Shri Santosh Gupta to facilitate the export of the said consignment through M/s Radek Overseas Pvt. Ltd. on a commission basis of ₹1,000 per metric ton, citing the company's prior experience in exporting mineral products such as salt. He further assured that approximately 700 MT of "Quartz Powder" would be made available near Gandhidham for loading. It was also stated that, upon export, the remittance would be received in the bank account of M/s Radek Overseas Pvt. Ltd., which would thereafter be transferred to the supplier of the "Quartz Powder" as per the instructions of Mr. Ratna Shankar Ojha. He further stated that the company neither purchased the said goods covered under the aforementioned shipping bills, nor handled the loading of the cargo, nor made any payment to any party in respect of the said consignment till date. He further stated that Mr. Ratna Shankar Ojha has been

untraceable since the hold of the cargo in the first week of April 2025, and his mobile phone has remained switched off.

- On being asked about the letter received from M/s Radek Overseas Pvt. Ltd. regarding acceptance of goods as garnet he stated that this was the first occasion on which the company had dealt with "Quartz Powder." He further stated that Mr. Ratna Shankar Ojha, without the knowledge of the company, loaded "Garnet" in the said consignment in the name of "Quartz Powder." He submitted that, after holding and examination of the consignment on 22.04.2025, they made enquiry and came to know that the goods loaded in the said consignment were probably "Garnet" instead of "Quartz Powder." He further stated that he has no idea about usage of Garnet.
- On being asked about Garnet being a restricted item he stated that initially, they had no idea but later on, they came to know that Garnet is restricted item for export and is only allowed to be exported on canalizing through IREL only. They were un-aware of this restriction at the time of export because they have been told by Mr. Ratna Shankar Ojha that the export item was "Quartz Powder".
- On being asked for perusal of the Test Reports dated 06.10.2025 received from IREL, he perused the test report pertaining to above said Shipping bills and in token of having seen and agree with the test report i.e., the goods is Garnet, he put his dated signature on the said test report.
- On being asked about stuffing of the goods in containers he stated that a godown situated at Plot No. 53, GIDC Estate, near Oslo Cinema, Gandhidham (Gujarat), Kutch, had been hired by them. He further stated that self-sealing permission had been obtained by them for the export of salt. In respect of the cargo pertaining to the 06 shipping bills, he stated that they have declared the said shipping bills under self-sealing on the directions of Mr. Ratna Shankar Ojha, who cited urgency and requested that the export process be expedited, as dock stuffing would take time. They have not stuffed the containers at the said premises. They have just declared the self-sealing permission for expediting the customs clearance process. He stated that the complete loading of all 26 containers was done by Mr. Ratna Shankar Ojha through his own sources at the said godown.
- Further, he stated that they were not aware about the said product being garnet & restrictions of export at the time of export. They are not habitual offender and the export has been done mistakenly without the intent of fraud.

Conclusion of the Statement:

Whereas, from the foregoing statement, it is evident that the Authorized Representative of M/s Radek Overseas Pvt. Ltd. has attempted to distance the exporter from the impugned

export by attributing responsibility to one Shri Ratna Shankar Ojha, who is now claimed to be untraceable. However, the facts on record clearly demonstrate that the exporter themselves filed the shipping bills, declared the goods as "Quartz Powder," and availed the self-sealing facility in their own name. The belated introduction of a third party appears to be an afterthought, intended to shift liability and evade penal consequences and departmental action.

The contention that the goods were procured, stuffed, and handled entirely by an untraceable third party does not absolve the exporter of responsibility, particularly when all export documents were filed under their Import Export Code (IEC) and authority. The plea of ignorance regarding the true nature of the goods and the applicable export restrictions is untenable. It was incumbent upon the exporter to ensure the correctness of declarations and compliance with export regulations. Being an experienced exporter, the company was duty-bound to exercise due diligence with respect to classification, declaration, and adherence to the export policy. Moreover, the acceptance of test reports confirming the goods as Garnet further substantiates that the goods exported under their name were mis-declared.

Whereas, it is also significant that the exporter opted for self-sealing permission while declaring the goods as "Quartz Powder," despite admitting that they neither undertook the stuffing of the cargo nor exercised any supervision or control over it. This conduct reflects a conscious facilitation of the export process in violation of prescribed procedures. The misuse of the self-sealing facility, coupled with the failure to verify the nature of the goods, indicates gross negligence bordering on willful blindness.

Whereas, in view of the above, it is apparent that the exporter is attempting to shift blame onto an untraceable individual to evade liability. In reality, the exporter consciously undertook the export of a restricted item, namely Garnet, by mis-declaring it as "Quartz Powder," in contravention of the applicable legal provisions. The act constitutes deliberate mis-declaration with the intent to circumvent export restrictions, and responsibility squarely rests with the exporter.

Accordingly, the statement, when read in its entirety, establishes that M/s Radek Overseas Pvt. Ltd. themselves attempted to export the goods in violation of applicable regulations and are, therefore, liable for appropriate action under the provisions of the Customs Act and allied laws.

10.2 Statement of the authorized person of Customs Broker:

Whereas, Summons were issued to M/s Freight Link Logistics on 14.10.2025 (RUD-12). Accordingly, statement of Shri Deepak Singh, Authorized representative of M/s Freight Link Logistics was recorded on 07.11.2025 (RUD-13) wherein he interalia stated that;

- He is a resident of 296, Bhageshree Township 5, LS-474, Varsamedi, Kutch, Gujarat – 370110. He has done his graduation in 2013 in Bachelor of Commerce from Gorakhpur, UP. He is native of Gorakhpur UP and his father has transport business in Gandhidham, so they all merged here in Gandhidham. After his graduation he joined Freight Link Logistics in 2014.
- He stated that M/s Freight Link Logistics is a Proprietorship firm bearing GST Registration No. 24AEXPM7049EIZ3 and Sh. S Manivannan is the proprietor in the firm. The firm established since 2010 and deals in Custom Broking work related to Import and Export on many Indian Ports and ICD. He works as manager in Freight Link Logistics and deal only with Custom Clearance related work in Kandla/Mundra Port.
- On being asked about M/s Radek Overseas Pvt. Ltd. he stated that in March 2025, Shri Santosh Aggarwal, husband of one of the Director of M/s. Radek Overseas Pvt. Ltd., Bhilwara, met him in Gandhidham and said that M/s Radek Overseas Pvt. Ltd. wanted to export Quartz Powder. He asked Shri Santosh Aggarwal to provide KYC documents & other export related documents i.e. packing list, invoice. After 2-3 days, Shri Santosh Aggarwal came to their office & provided the KYC documents, Invoice & Packing List. They conveyed that agency charges will be Rs.1500+ GST charges. Shri Santosh Aggrawal agreed for the Same.
- On being asked about verification of KYC documents he stated that they verified the IEC of the exporter from ICEGATE portal, GSTIN no. from the GSTIN portal and from the MCA website, they verified about the company profile.
- On being asked about the present consignment of 26 containers by Radek Overseas Pvt. Ltd., he stated that they filed the Shipping Bills as per the directions of the exporter. The goods were stuffed in the containers under self-stuffing. Let Export Order was also issued & the containers were loaded on the vessel. Then he got a call from Shipping line and was informed that containers were put on hold by DRI. Then the containers were unloaded from the vessel and moved from terminal to CWC warehouse & later examined by SIIB officers under Panchnama dated 22.04.2025.
- On being asked for perusal of the Test Reports dated 06.10.2025 received from IREL, he perused the test report pertaining to above said Shipping bills and in token of having

seen and agree with the test report i.e., the goods is Garnet, he put his dated signature on the said test report.

- He further stated that they were not aware about the product being Garnet & they should have followed due diligence in dealing with the export.

Conclusion of the Statement:

Whereas, from the statement of Shri Deepak Singh, Authorized Representative of M/s Freight Link Logistics, it emerges that the firm acted as a customs clearance agent for M/s Radek Overseas Pvt. Ltd, and undertook export-related documentation based on the information and documents provided by the exporter. While basic KYC verification such as checking IEC, GSTIN, and company details on relevant government portals was carried out, no independent or physical verification of the goods was conducted. The firm filed Shipping Bills for 26 containers under self-stuffing as per the exporter's directions. However, the consignment was later intercepted by DRI, examined by SIIB officers, and as per the test report dated 06.10.2025 from IREL, the goods, declared as Quartz Powder, were found to be Garnet. In view of the above, while the primary responsibility for correct declaration rests with the exporter, the Customs Broker, as a licensed intermediary under the Customs framework, was also obligated to exercise due care and diligence. The failure to do so indicates procedural lapses on their part, rendering them liable for appropriate action under the relevant provisions governing Customs Brokers.

11. Valuation of the Goods to be exported:

11.1. Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 read as under:

8. Rejection of declared value. -

(1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any export goods, he may ask the exporter of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such exporter, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, the transaction value shall be deemed to have not been determined in accordance with sub-rule (1) of rule 3.

2) At the request of an exporter, the proper officer shall intimate the exporter in writing the ground for doubting the truth or accuracy of the value declared in relation to the export goods by such exporter and provide a reasonable opportunity of being heard, before taking a final decision under sub-rule (1).

Explanation. - (1) For the removal of doubts, it is hereby declared that-

(i) This rule by itself does not provide a method for determination of value, it provides a mechanism and procedure for rejection of declared value in cases where there is reasonable doubt that the declared value does not represent the transaction value; where the declared value is rejected, the value shall be determined by proceeding sequentially in accordance with rules 4 to 6.

(ii) The declared value shall be accepted where the proper officer is satisfied about the truth or accuracy of the declared value after the said enquiry in consultation with the exporter.

(iii) The proper officer shall have the powers to raise doubts on the declared value based on certain reasons which may include -

(a) the significant variation in value at which goods of like kind and quality exported at or about the same time in comparable quantities in a comparable commercial transaction were assessed.

(b) the significantly higher value compared to the market value of goods of like kind and quality at the time of export.

(c) the misdeclaration of goods in parameters such as description, quality, quantity, year of manufacture or production.

11.2. Therefore, since the said offending goods attempted to be exported by M/s. Radek Overseas Pvt. Ltd. were mis-declared by the said exporter in the documents submitted before the Customs Authorities, the value declared by the said exporter in the respective exports documents cannot be taken as the actual transaction value and therefore, the value such declared by the said exporter in the respective consignments is liable to be rejected as per the provisions of Rule 8 of the Customs Valuation (Determination of value of exported goods) Rules, 2007.

11.3. Further Rule 3 and Rule 4 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 are being reproduced below:

3. Determination of the method of valuation:

1. Subject to rule 8, the value of export goods shall be the transaction value.
2. The transaction value shall be accepted even where the buyer and seller are related, provided that the relationship has not influenced the price.
3. If the value cannot be determined under the provisions of sub-rule (1) and sub-rule (2), the value shall be determined by proceeding sequentially through rules 4 to 6.

4. Determination of export value by comparison:

1. The value of the export goods shall be based on the transaction value of goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule (2).
2. In determining the value of export goods under sub-rule (1) the proper officer shall make such adjustments as appear to him reasonable, taking into consideration the relevant factors, including-
 - i. difference in the dates of exportation,
 - ii. difference in commercial levels and quantity levels,

- iii. *difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared,*
- iv. *difference in domestic freight and insurance charges depending on the place of exportation.*

11.4. As per Rule 4 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007 the contemporary data of the goods Garnet for the period around the filling of the above said Shipping Bills was extracted from the system. The similar goods i.e. "Garnet" are being exported by M/s IREL, Kollam. Therefore, the value declared by M/s IREL, Kollam in their Shipping Bills has been taken as value of Contemporaneous export. The following shipping bills of M/s IREL, Kollam containing "Garnet" were relied upon for valuation purpose:

Sr No	SB NUMBER	SB DATE	GOODS DESCRIPTION	QUANTITY in MTS	FOB VALUE IN RS	Value per MTs in Rs.
1	9376175	3/26/2025	GARNET 30/60	140	2756320	19688
2	9447348	3/28/2025	GARNET 30/60	140	2756320	19688
3	9228406	3/21/2025	GARNET 30/60	280	5752320	20544
4	9509769	3/29/2025	GARNET 20/40	196	4026624	20544
5	9389211	3/26/2025	GARNET 20/60	280	5992000	21400
6	9511130	3/29/2025	GARNET 30/60	112	2396800	21400
7	9391096	3/26/2025	GARNET 20/40	140	3055920	21828
8	9386783	3/26/2025	GARNET 20/40	28	611184	21828
9	9354135	3/26/2025	GARNET 20/40	20	479360	23968

11.5. Whereas, as per the above said Shipping Bills, the goods Garnet Exported by IREL, Kollam, FOB Value of Garnet, considering the lowest value of the export, works out to be **Rs.19,688/- per MT** and value of the export consignments has been re-determined accordingly, as **Rs.19,688/- per MT**. Therefore, as per the provisions of the Rule 4 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, the said value can be taken for the said Shipping bills, as the said offending goods, are being exported to same countries, around the same time, from the same port of export.

11.6. Whereas, as per the above said valuation, the value of the said export consignments as discussed above, considering FOB Value as **Rs.19,688/- per MT** has to be re-determined as under:

Sr. No.	Shipping Bill No	SB Date	Declared Goods	Quantity of Goods (MTS)	Declared FOB Value	Per MT value declared	Actual Goods found	Re-determined FOB Value at Rs.19688 per MT
1	9527287	30.03.2025	Quartz Powder	53	160842	3034.762	Garnet	1043464
2	9527325	30.03.2025	Quartz Powder	159	482527	3034.762	Garnet	3130392
3	9527409	30.03.2025	Quartz Powder	106	321685	3034.762	Garnet	2086928
4	9527459	30.03.2025	Quartz Powder	132.5	402106	3034.762	Garnet	2608660

5	9527516	30.03.2025	Quartz Powder	53	160842	3034.762	Garnet	1043464
6	9527574	30.03.2025	Quartz Powder	185.5	562948	3034.762	Garnet	3652124
				689	2090951			13565032

11.7. Whereas, the exporter has declared the total FOB value of the goods as Rs.20,90,951/- in the said Shipping Bills. However, as per the provisions of the Rule 4 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, the re-determined value of the goods to be exported vide said Shipping Bills comes to **Rs.1,35,65,032/-**.

12. Role Played & Culpability:

12.1. Role of M/s Radek Overseas Pvt. Ltd.

- M/s Radek Overseas Pvt. Ltd. is the primary entity held responsible for the attempted illegal export. The company filed six Shipping Bills on March 30, 2025, for 689 MTs of goods, declaring them as "Quartz Powder" to bypass the restriction on **Garnet**, which can only be exported through the canalizing agency, **IREL**.
- The investigation concluded that the exporter knowingly mis-declared the description and value of the goods, and misused the self-sealing facility by allowing an unauthorized third party to handle the stuffing without supervision.
- Consequently, the company is liable for the confiscation of goods valued at **₹1,35,65,032** and faces penalties under Sections 114(i) and 114AA of the Customs Act, 1962.
- **Deliberate Mis-declaration:** The exporter filed six shipping bills on March 30, 2025, declaring the goods as "Quartz Powder" (CTH 25061020) to circumvent export restrictions on **Garnet**, a restricted Beach Sand Mineral
- **Violation of Export Policy:** Under Notification No. 26/2015-20, Garnet can only be exported through the State Trading Enterprise, **IREL**. As a private entity, Radek Overseas had no authority to export it
- **Misuse of Self-Sealing:** The exporter obtained self-sealing permissions to expedite clearance but admitted they did not supervise or conduct the actual stuffing, which the investigation termed "gross negligence bordering on willful blindness"
- **Admission of Guilt:** The Company officially accepted that the goods were "Dust of Natural Garnet" and agreed to face penalties under the Customs Act
- **Culpability:** They face potential confiscation of goods valued at **₹1,35,65,032** and penalties under Sections 114(i) and 114AA of the Customs Act.

12.2. Role of Shri Santosh Agarwal (Marketing Manager)-

- As the Marketing Manager and husband of one of the Directors, he was the **prime mover** of the transaction. He met with the Customs Broker to provide KYC documents, invoices, and packing list. In March 2025, he met with an individual named Shri Ratna Shankar Ojha and agreed to export 26 containers of cargo through the company's IEC on a **commission basis of ₹1,000 per metric ton**.
- Despite the company having no prior experience in exporting this specific mineral, he proceeded with the deal based on the third party's directions regarding self-sealing and

- urgency. The investigation dismissed the attempt to shift blame to the "untraceable" Mr. Ojha as a belated afterthought intended to evade statutory liability.
- It is further to submit that Shri Santosh Agarwal was also Director in M/s. Radek Overseas Pvt. Ltd (From 30.03.2019 to 15.02.2021). He left the directorship of the company however, investigation suggest that he was the actual beneficiary of the company.
 - **Main Beneficiary and Orchestration of Fraud:** He was the mastermind behind the whole illegal export of Garnet. He used the company's IEC and self-sealing permissions for attempted export of goods.
 - **Fabrication of Third-Party Involvement:** The attempt to shift blame to an "untraceable person" (Ratna Shankar Ojha) is concluded by the investigation to be a belated afterthought and a self-serving explanation intended solely to evade statutory liabilities.

12.3. Role of Smt. Rekha Aggarwal & Smt Alka Rajeev Gupta (Directors of M/s Radek Overseas Pvt Ltd)

- As the directors of M/s Radek Overseas Pvt Ltd, Smt. Rekha Aggarwal and Smt. Alka Rajeev Gupta were responsible for the overall management, decision-making, and compliance of the company with applicable laws, including the provisions of the Customs Act, 1962 and Foreign Trade Policy.
- They were directly involved in authorizing export transactions, including the filing of Shipping Bills and availing of self-sealing procedures.
- **Vicarious Liability:** Being in charge of and responsible for the conduct of the business of the company, the directors are vicariously liable for the acts of mis-declaration and attempted illegal export carried out in the name of the company.
- **Failure of Due Diligence:** The directors failed to exercise due diligence and proper supervision over export operations, particularly in permitting self-sealing without ensuring actual stuffing under authorized oversight. This lapse facilitated the mis-declaration and attempted export of restricted goods.
- **Knowledge and Consent:** The circumstances of the case, including the nature of the goods, the quantity involved, and the manner of execution, indicate that such actions could not have occurred without the knowledge, consent, or at least tacit approval of the directors.
- **Liability under the Customs Act:** Accordingly, both directors are liable for penal action under Section 114(i) and Section 114AA of the Customs Act, 1962 for their role in abetting and facilitating the attempted export of restricted goods through mis-declaration and misuse of procedural relaxations.

12.4. Role of M/s. Freight Link Logistics (Customs Broker/CHA)

- The firm acted as the licensed intermediary, filing the Shipping Bills based on the directions and documents provided by Santosh Agarwal.
- The firm filed the Shipping Bills based on the KYC, invoices, and packing lists provided by the exporter without conducting any independent or physical verification of the goods.
- While the broker performed basic verification of the exporter's GST and IEC, the investigation found **procedural lapses** in their failure to exercise due care and diligence.
- As a licensed entity under the Customs framework, the firm is held liable for these lapses under the relevant provisions governing Customs Brokers.
- **Failure of Due Diligence:** While they verified the exporter's IEC and GSTIN, they failed to conduct any **independent or physical verification** of the cargo.

13. Whereas, from the above mentioned facts, it is evident that the export of the said goods is restricted and can only be made through M/s Indian Rare Earth Limited and also no evidence has been put forth by the exporter that they are authorised to export the said goods by M/s Indian Rare Earth Limited. However, the exporter tried to export the goods by mis-declaring and mis-classifying. The exporter tried to export the said goods in contravention of the existing DGFT Policy, thus, rendered the said goods liable for absolute confiscation under Section 113(d) & 113(i) of the Customs Act, 1962. By this act of omission and commission the exporter has also rendered himself liable for penal action under Section 114 and Section 114AA of the Customs Act, 1962.
14. Whereas, it appears that the Customs Broker has failed to exercise due diligence in verifying the antecedents and genuineness of the client and the transaction, thereby not adhering to the obligations cast upon them. Such failure appears to constitute a contravention of the provisions of Regulations 10(d), 10(e), and 10(n) of the Customs Brokers Licensing Regulations, 2018. Accordingly, it appears that the Customs Broker firm, M/s Freight Link Logistics, is liable for appropriate action under the said Regulations.
15. Whereas, it appears that the actions of Smt. Rekha Aggarwal and Smt. Alka Rajeev Gupta, Directors of M/s Radek Overseas Pvt. Ltd., invite imposition of penalties for acts of commission and omission which have rendered the restricted goods liable to confiscation under Section 113(d) and Section 113(i) of the Customs Act, 1962. It further appears that Smt. Rekha Aggarwal and Smt. Alka Rajeev Gupta were directly involved in authorizing the export transactions, including the filing of Shipping Bills and availing of self-sealing procedures, thereby rendering themselves liable for penalty under Section 114 and Section 114AA of the Customs Act, 1962.
16. Whereas, it appears that Shri Santosh Agarwal, Marketing Manager, was the prime mover in the export of the subject goods, having orchestrated the transaction by utilizing the IEC of the company and the self-sealing permissions to export restricted minerals by way of mis-declaration. It further appears that, by orchestrating the said arrangement through documentation and attempting to circumvent the restrictions applicable to State Trading Enterprises (STE), Shri Santosh Agarwal has rendered himself liable for penalty under Section 114AA of the Customs Act, 1962.

Relevant Provisions of Law:

17. **SECTION 50. Entry of goods for exportation. -**
- (1)....
 - (2) *The exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a declaration as to the truth of its contents.*
 - (3) *The exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely:-*
 - (a) *the accuracy and completeness of the information given therein;*
 - (b) *the authenticity and validity of any document supporting it;**and*
 - (c) *compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.*

Notification No. 26/2015-20 dated 21.08.2018

"2. The existing entries in the 'Note' of Chapter 26 of Schedule 2 of ITC(HS) Classification of Export and Import Items 2018 are substituted as under :
"NOTE:

1. Export of Rare Earth compounds classified as Beach Sand Minerals (BSM) , namely [Ilmenite, Rutile, Leucoxene(Titanium bearing mineral), Zircon, Garnet, Sillimanite and Monazite (Uranium and Thorium)], shall be regulated in terms of Sl. No. 98A of Chapter 26 Schedule 2 of ITC(HS) Classification.
2. Other minerals under code 2617 are freely exportable, except those which have been notified as prescribed substances and controlled under Atomic Energy Act, 1962".
3. A new entry at Sl. No. 98A is inserted in Chapter 26 of Schedule 2 of ITC (HS) Classification of Export & Import Items 2018 as follows:

S. No.	Tariff Item HS code	Unit	Item Description	Export Policy	Policy Condition
98A	2508 5031 2508 5032 2508 5039 2612 1000 2612 2000 2614 0010 2614 0020 2614 0031 2614 0039 2614 0090 2515 1000 <u>2513 2030</u>	Kg	Beach sand Minerals [Ilmenite, Rutile, Leucoxene(Titanium bearing mineral), Zircon, Garnet, Sillimanite and Monazite (Uranium and Thorium)]	STE (State Trading Enterprise)	Export through Indian Rare Earths Limited (IREL)

3. Effect of this Notification:

Export of Beach Sand Minerals have been brought under STE and shall be canalized through Indian Rare Earths Limited (IREL). Beach sand minerals, permitted anywhere in the export policy, will now be regulated in terms of policy under at Sl. No. 98A of chapter 26 of Schedule 2 Export Policy."

SECTION 113. Confiscation of goods attempted to be improperly exported, etc. –

The following export goods shall be liable to confiscation: -

- (d) any goods attempted to be exported or brought within the limits of any customs area for the purpose of being exported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;
- (i) any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act

SECTION 114. Penalty for attempt to export goods improperly, etc. –

Any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 113, or abets the doing or omission of such an act, shall be liable, -

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding three times the value of the goods as declared by the exporter or the value as determined under this Act, whichever is the greater;

114AA. Penalty for use of false and incorrect material. —

If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.

18. Show Cause Notice:

18.1 Now, therefore, M/s. Radek Overseas Pvt. Ltd. (Exporter) are hereby called upon to show cause to the Additional Commissioner of Customs, Custom House, Kandla, as to why: -

- i. The declared description and classification of the goods i.e. **Quartz Powder (CTH-25061020)** meant to be exported vide Shipping Bills No. 9527287, 9527325, 9527409, 9527459, 9527516 & 9527574 all dated 30.03.2025 should not be rejected, and should not be appropriately re-described as "**Garnet**" and re-classified under CTH-25132030.
- ii. The declared value of the goods i.e. **Rs.20,90,951/-** of Garnet meant to be exported vide Shipping Bills No. 9527287, 9527325, 9527409, 9527459, 9527516 & 9527574 all dated 30.03.2025 should not be rejected and the same should not be re-determined at **Rs. 1,35,65,032/-**.
- iii. The goods i.e. **689 MTS** of Garnet meant to be exported vide the said Shipping Bills having re-determined value of **Rs. 1,35,65,032/-** should not be absolutely confiscated under Section 113(d) & 113(i) of the Customs Act, 1962.
- iv. Penalty under Section 114 and 114AA of the Customs Act, 1962 should not be imposed on the exporter M/s. Radek Overseas Pvt. Ltd.

18.2 Now therefore, Smt. Alka Gupta and Smt. Rekha Aggarwal, Directors of M/s Radek Overseas Pvt. Ltd., and Shri Santosh Aggarwal, Marketing Manager and the prime mover in the attempted export of the subject goods are hereby called upon to show cause to Additional of Customs, Custom House, Kandla, as to why:

- (i) Penalty should not be imposed on them under Section 114 and Section 114AA of the Customs Act, 1962, in view of the acts of commission and omission on their part.

19. All the Noticees are further required to produce at the time of showing cause all evidences upon which they intend to rely in support of their defence. They are further advised to indicate in their written submission as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written submissions, it would be presumed that they do not desire to be heard in person. If no cause is shown by them against the action proposed to be taken within 30 days from the date of receipt of this Notice or if they do not appear before the adjudicating authority, when the case is posted for hearing, the case is liable to be decided Ex-Parte on the basis of material evidence available on record.

20. The documents/articles as listed at Annexure-R are relied upon and are enclosed with this show cause notice, and where not enclosed with this Notice will be made available for inspection on demand made in writing.

21. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department/DRI also reserves its right to issue separate Notice/s for other Noticees, offences etc related to the above case, if warranted.

Vishwajeet Singh
11.04.2026

Vishwajeet Singh
Commissioner (In-Situ),
Custom House Kandla.

DIN: 20260471ML0000999D72

By Speed Post/Regd. Post/E-mail/E-office/Hand Delivery:

To,

- 1) M/s Radek Overseas Pvt Ltd, having IEC No. AAJCR5161P having address at A-5, Kamla Vihar, Chittor Road, Bhilwara, 311001 (Rajasthan)
- 2) Smt. Alka Gupta and Smt. Rekha Aggarwal, Directors of M/s Radek Overseas Pvt. Ltd.
- 3) Shri Santosh Aggarwal. Marketing Manager of M/s Radek Overseas Pvt. Ltd.

Copy to:

1. Assistant Commissioner (SIIB), C H Kandla.
2. Superintendent (EDI), C H Kandla.
3. Guard File.

Annexure-R

List of Relied upon Documents w.r.t Show Cause Notice in respect of M/s Radek Overseas Pvt Ltd, having IEC No. AAJCR5161P having address at A-5, Kamla Vihar, Chittor Road, Bhilwara,

List of RUDs	
Sr. No.	Description
RUD-1	Shipping Bills dated 30.03.2025 filed by M/s Radek Overseas Pvt Ltd
RUD-2	Hold letter dated 01.04.2025 of DRI AZU.
RUD-3	Letter dated 03.04.2025 of DRI AZU for examination of the goods.
RUD-4	Panchnama dated 22.04.2025
RUD-5	Letter dated 20.05.2025 from DRI, Ahmedabad regarding transfer of case to SIIB Kandla
RUD-6	Test Reports dated 06.10.2025 by IREL, Kerala
RUD-7	Seizure Memo dated 13.10.2025
RUD-8	Letter dated 06.02.2026 received from Jurisdictional CGST Commissionerate, Udaipur
RUD-9	Letter dated 30.07.2025 sent by M/s Radek Overseas Pvt Ltd
RUD-10	Summons dated 14.10.2025, issued to M/s Radek Overseas Pvt Ltd
RUD-11	Statement dated 04.11.2025 of Authorized representative of M/s Radek Overseas Pvt Ltd
RUD-12	Summons dated 14.10.2025, issued to M/s Freight Link Logistics
RUD-13	Statement dated 07.11.2025 of Authorized representative of M/s Freight Link Logistics